

**The States of Arizona, California, Colorado, Nevada,
New Mexico, Utah and Wyoming
Governor's Representatives on Colorado River Operations**

August 25, 2005

Honorable Gale A. Norton, Secretary
Department of the Interior
1849 C. Street, NW
Washington, D.C. 20240

Re: Development of Management Strategies to Address Operations of Lake
Powell and Lake Mead under Low Reservoir Conditions

Dear Secretary Norton:

This letter responds to your May 2, 2005, letter to the Governors of the Seven Colorado River Basin States (basin states) in which you announced your intent to undertake a process to develop Lower Basin shortage guidelines and to explore management options for the operation of Lakes Powell and Mead. The Bureau of Reclamation published a notice on June 19, 2005, in the Federal Register announcing its intent to solicit comments and hold public meetings on the development of management strategies for Lakes Powell and Mead, including Lower Basin shortage guidelines, under low reservoir conditions.

For more than a year, the basin states Governors' representatives, the Bureau of Reclamation, and others have engaged in discussions on a variety of potential management options to address the system-wide drought in the Colorado River Basin. Recently, the basin states agreed that management strategies should be designed to delay the onset and minimize the extent and duration of shortages in the Lower Basin. The states agreed that management strategies should maximize the protection afforded to the Upper Basin by Lake Powell against possible calls upon the Upper Basin to curtail uses. The states agreed that shortage guidelines should be premised upon proportionate sharing of shortages by Mexico pursuant to the Mexican Treaty.

The basin states are in the process of developing and evaluating alternatives for coordinated reservoir management and Lower Basin shortage strategies to address the above objectives. In addition, the basin states are exploring a larger, more comprehensive management arrangement. This arrangement would avoid political and legal confrontation over the meaning of fundamental aspects of the Law of the River; supplement the supply of Colorado River water; develop acceptable interim shortage guidelines for the Lower Basin; and realize a common goal to implement management strategies that might allow more efficient, flexible, responsive and reliable operation of the system reservoirs for the benefit of the states of both the Upper and Lower Basin. The states regard such an arrangement as important to the continued development and use of the Colorado River resource in both the Upper and Lower Basins. The Secretary

should recognize that the coordinated management and shortage strategy outlined in this letter is recommended only on the condition that the other aspects of that more comprehensive management arrangement can be finally agreed upon and implemented by the states and the Secretary.

The states propose that any reservoir operational strategy developed by the Secretary be explicitly limited to an interim period. The interim operations should be tied to the implementation of additional measures that will accomplish the dual objectives of supplementing the supply of the Colorado River, and operating the existing infrastructure in the system more efficiently. The elements set forth in this letter are interrelated, and represent an integrated strategy for managing the Colorado River into the future. Therefore, all of the elements of this strategy will need to be implemented. In addition, practical resolution of differences among the basin states regarding mainstream and tributary development will be required. The states' strategy consists of three elements.

Coordinated Reservoir Management and Lower Basin Shortage Strategies

The states are discussing ways to utilize the water surface elevations or volumetric contents of both Lake Mead and Lake Powell to determine the beginning and end of a Lower Basin shortage condition. The strategy could incorporate various water management components including: tiered releases from Glen Canyon Dam; content balancing; alternative release schedules; continued operations under Section 602(a); other equalization strategies; and storage (banking) of water in Lake Mead. All of these operational components are currently being studied under the assumption that the Lower Basin shortage strategy would be two-tiered, the first tier protecting a Lake Mead water surface elevation of 1,050 feet, and the second tier assuring maintenance of a Lake Mead water surface elevation of 1,000 feet.

There may be additional reservoir water surface elevations identified to help achieve the management objectives prior to the actual declaration of a shortage. The quantities of reductions in demand are still being analyzed. After consultation with water users and completion of the analyses, the basin states will recommend conditions under which the Secretary may declare that insufficient water will be available for release from Lake Mead to satisfy 7.5 maf of consumptive use from the mainstream in the Lower Basin, and a delivery of 1.5 maf to Mexico. The basin states will also recommend reductions in deliveries that can be reasonably managed by the states and water users during the interim period. A plan to manage the shortage condition and to allocate reductions among water users within the Lower Basin will be developed and recommended to the Secretary. Acceptance of the recommendations is an essential condition for the success of an integrated strategy for the operation of the Colorado River.

The coordinated operational policies and procedures for the storage of water in and release of water from Lakes Mead and Powell may apply during a defined interim period consistent with the Interim Surplus Guidelines (until 2016, or as the ISG might be modified and extended), or for so long thereafter as may be necessary to achieve selected target elevations in Lakes Powell and Mead. Power and recreational impacts of such operations will be coordinated, but water supply operations will remain the first priority of coordinated operations.

Shortages to Mexico under the 1944 Treaty would be shared proportionately with those incurred by the Lower Basin states, as shortages may be imposed under the shortage guidelines. The states anticipate that shortages to both Mexico and the Lower Basin will be reduced proportionately with the implementation of the coordinated operation strategy.

Because such coordinated operations may alter the volume of water delivered from Lake Powell from that under existing operations during times of low reservoir conditions, the states are evaluating the effects that coordinated reservoir management may have on the recently adopted Interim Surplus Guidelines, as well as considering whether to agree that during the interim period they will not raise issues of the meaning, interpretation or enforcement of the Colorado River Compact, the 1968 Colorado River Basin Project Act, or other aspects of the Law of the River concerning any obligation of the Upper Basin to meet any requirement at Lee Ferry. The states are considering whether agreement not to raise Law of the River issues will continue to the end of the interim period, or longer.

System Efficiency and Management

The basin states will work with the Department of the Interior to analyze and implement a program of tamarisk eradication throughout the basin. The states believe such a program may yield multiple benefits to the environment and water supply of the basin.

The basin states will work with the Department of the Interior to develop a prioritized list of specific measures that will result in the more efficient management of the River in the Lower Basin. Initial priorities for implementation will include development of All-American Canal Drop 2 storage, evacuating accumulated sediments behind Laguna Dam, development of Wellton-Mohawk regulatory storage, and full utilization of Senator Wash Reservoir. Additionally, the states are discussing measures to better coordinate daily system operations and water orders of contractors in the Lower Basin to prevent the loss of water. It will be necessary for the Department to take all necessary actions to account for and replace water that has been released to Mexico through the bypass drain since 2004, and continue to implement measures that minimize the over-deliveries of water to Mexico. It will also be necessary for the Department to aggressively pursue elimination of unauthorized uses of Colorado River water in the Lower Basin.

Augmentation of Supply

The basin states will work with the Department of the Interior to implement a precipitation management (cloud seeding) program in the basin (both Upper and Lower). Any additional water generated to the Colorado River system will be considered system water. No entity or state will have any claim to any additional supply developed by precipitation management.

The basin states will work with the Department of the Interior to analyze the technological feasibility of desalination, and issues such as siting, environmental impacts and the potential to exchange desalinated water into the Colorado River system.

The states are discussing programs under which states may provide, and get the benefit of, individual supply augmentation including desalination; ground water developed and conveyed to add to the Colorado River system; tributary water that has been consumptively used for irrigation that is retired to permit its flow into the Colorado River; temporary consumptive use of additional water from Lake Mead; and wastewater that is generated by the direct use of any water and that is permitted to flow into the Colorado River. The basin states will work with the Secretary to explore additional methods of augmentation. It will be necessary for the Secretary to develop and implement regulations to allow the use of mainstream Colorado River water by forbearance, replacement or exchange.

The basin states representatives recommend that the Secretary adopt interim guidelines, concurred to by the states, for the implementation of the Long Range Operating Criteria (LROC) under low reservoir conditions in Lakes Mead and Powell, together with interim shortage guidelines in the Lower Basin. If at the end of the interim period changes to the LROC are warranted, then the Secretary may consider such changes.

Finally, the basin states recognize that the concepts discussed in this letter raise potentially significant legal and political issues. The basin states look forward to working with you and the Department in analyzing and addressing these issues.

[Signatures on Following Page]

The Honorable Gale A. Norton

August 25, 2005

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Sincerely,



Herb Guenther

Director

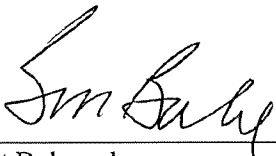
Arizona Department of Water Resources



Gerald R. Zimmerman

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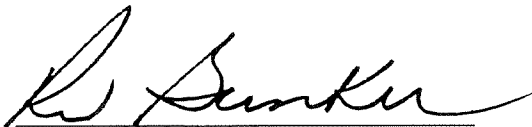
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Patricia Mulroy

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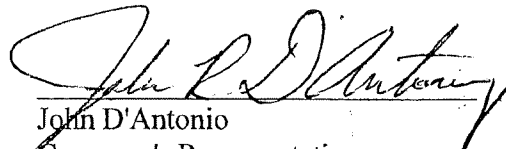
Southern Nevada Water Authority



Richard Bunker

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Colorado River Commission of Nevada



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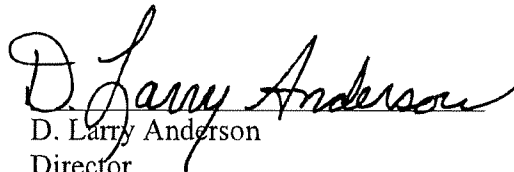
State of New Mexico



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